

# Important Facts for Senior Citizens

## *Health Care Reform Improves Medicare, Lowers Drug Costs*

If you have Medicare, you will continue to receive coverage and choose your doctor as you do today.

AARP, the primary advocate for retired people, supports the legislation being considered by the House of Representatives and has stated that it “would make great strides for all of our members and their families.”

### **The health care reform proposal in the House of Representatives:**

- Maintains coverage under Medicare as it is today
- Protects your current ability to choose your doctor
- Phases out the “donut hole” in the Medicare prescription drug benefit where drug costs are not reimbursed, saving many senior citizens thousands of dollars a year
- Eliminates co-payments and deductibles for preventive services under Medicare
- Improves the low-income subsidy programs to help Medicare beneficiaries pay premiums and cost-sharing

# FAQ

**Q: I heard that health care reform will be paid for by cutting traditional Medicare benefits. Is this true?**

A: No. The legislation actually adds benefits to Medicare, including increased prescription drug coverage and more coverage for preventive care. The legislation does save money in Medicare, not by cutting regular Medicare benefits, but by making sure our dollars are used as efficiently as possible.

For example, hospitals and other medical facilities that serve Medicare patients receive annual increases in their payments to account for inflation. Hospitals themselves have agreed that these increases may be higher than costs warrant. Under reform, Medicare payments to hospitals will continue to increase, but they will increase less quickly. This change saves \$155 billion over ten years – money that is put right back into the Medicare trust fund to extend its solvency and make the Medicare program more fiscally sound.

The reform package also reduces subsidies to private insurance companies that contract with Medicare to cover people through the Medicare Advantage program. Today, these plans are paid 14% more than it costs to cover a senior under regular Medicare. Taxpayers should not be footing the bill to pay private insurance companies more than it would cost to cover senior citizens under regular Medicare. Under reform, Medicare Advantage plans will continue to be able to operate and offer coverage, but they will have to compete on a level playing field with regular Medicare. Reducing these subsidies saves taxpayers \$156 billion over 10 years.

**Q: Does health care reform create a government panel that will determine how much care a senior can get near the end of their lives?**

A: Absolutely not. This is not, and has never been, true. Decisions about a senior's medical care as he or she nears the end of their life will continue to be made by the patient in consultation with his or her doctor and family. What health reform does provide is coverage for seniors to talk to their doctors about advance directives and the kind of care they want to receive near the end of their life.

**Q: Will my Medicare premium go up even though there is no cost-of-living adjustment (COLA) in Social Security this year?**

A: Permanent federal law prevents an increase in Medicare premiums for most seniors in years when there is no COLA. The House of Representatives voted on September 24<sup>th</sup> to protect all Medicare beneficiaries from a premium increase this year.